

Montana Public Employees' Retirement Board Table Summarizing HB 70, the Board's General Revisions Legislation

Bill Section	MCA Section	Proposed Change	Reason for Change and Notes
1	2-4-110	Exclude Public Employees' Retirement Board from requirement that department to which agency is administratively attached must approve rule proposal notices	DOA is now requiring two weeks notice of any rules requiring review and approval. This time period, combined with need to give the Board ample time to review and approve the proposed rules, unnecessarily lengthens the time for adopting rules and hinders MPERA's ability to comply with federal requirements
2	2-15-1009	Subject to review by the appropriate legislative interim committee, this amendment gives the Board exclusive authority over its rules.	The Board is the fiduciary responsible for these retirement systems and is ultimately responsible for ensuring the systems are administered in the best interests of retirement system members and beneficiaries.
3	17-6-203(2)	Add other retirement systems to list that can invest with BOI/STIP	Incorporate retirement systems whose funds are invested with BOI/STIP but currently not listed in statute (Judges, Firefighters, Highway Patrol and Sheriffs).
4 and 32	19-2-303(9) 19-8-101	Define the term "banked holiday"	HB 70 addresses the treatment of "banked holiday" pay for retirement system purposes. Therefore the term must be defined. The proposed definition is that used by the Dept of Administration in its Holiday Pay Policy.
4	19-2-303(52)	Clarify the definition of "termination of service"	Banked holidays are available to some members of PERS Address the requirement of no covered employment for at least 30 days to include no agreement to return to employment, either via The IRS requires a true and complete separation from service of an agreement to return to work prior to even retiring is 1 separation from service.
5	19-2-403(8)	New provision granting authority for the exchange of cross match information between PERS and TRS	Necessary to fulfill legal duty to audit membership status; confidentiality policies prohibit the release of certain mem required to ensure a member is properly reported to either TRS has similar legislation in its general revisions bill.

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4	19-2-303(52)	Clarify the definition of "termination of service"	Banked holidays are available to some members of PERS and GWPORS. Address the requirement of no covered employment for at minimum 30 days to include no agreement to return to employment, either verbal or written. The IRS requires a true and complete separation from service. The existence of an agreement to return to work prior to even retiring is not considered separation from service.
5	19-2-403(8)	New provision granting authority for the exchange of cross match information between PERS and TRS	Necessary to fulfill legal duty to audit membership status; Current confidentiality policies prohibit the release of certain membership information required to ensure a member is properly reported to either PERS or TRS. TRS has similar legislation in its general revisions bill.

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6	19-2-506	Clarifies that the Board is not liable for an employer's incorrect reporting of information to DB retirement systems.	19-2-511 provides limitation of liability for Defined Contribution reporting errors; a similar provision is needed for Defined Benefit plan reporting errors
7	19-2-603(2)	Transfer subsection to 19-2-801	Section 19-2-603(1) discusses the financial ramifications of a previous retirement system member returning to covered employment while 19-2-603(2) addresses the returning member's existing retirement system documents. Section 19-2-801 addresses membership cards. It is more logical to address a returning member's retirement system documents (19-2-603(2)) within the statute that addresses membership cards.
8	19-2-706	Clarify that additional service credit is not an option available to a DC member who is subject to a reduction in force.	Service credit purchases are not available to members of the defined contribution plan. DC members subject to a reduction in force have questioned our authority for denying them the service credit option. Per 19-2-710, no provisions of Title 19, Chpt 2, Part 7 apply to DCRP
9	19-2-715	Subsections (1)(a)(i) and (1)(a)(ii) are both necessary in order for a retirement system member to purchase service.	In order to purchase service from one Board-administered retirement system into another Board-administered retirement system, the member must be eligible for a refund from the system where the service originates and be a member of the system the service will be transferred to.
10	19-2-801(3) and (4)	Clarify membership card requirements and beneficiary designations for returning retirement system members	Current language for temporary workers is not clear with respect to which membership card controls; information for returning members is moved from 19-2-603, MCA.
10	19-2-801(4)	Clarify membership card applies only until member retires.	Membership card beneficiary designations no longer apply after the member retires. Retirement application materials dictate the beneficiary.
10	19-2-801(7)	Clarify that renunciation option only applies to beneficiaries of active members, not contingent annuitants named by retirees.	Contingent annuitants of retired members have recently requested to renounce. The pop-up statutes allow the member to change options/contingent annuitants under certain circumstances. Statutes limiting the pop-up option to the member, coupled with the IRS qualification requirement for a "definitely determinable" benefit based on life of the member and the life of a specified contingent annuitant conflicts with allowing contingent annuitants to renounce.

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11	19-2-802	Strengthen verbiage to be consistent with statute's title.	Current title is inadequate. Current language is unclear that it applies when a member has not designated a beneficiary or when there is no surviving designated beneficiary.
12	19-2-908(3)	Address ability/impact of a disabled member purchasing service after termination but before being found disabled – determined that benefit cannot commence prior to purchase of service.	Disability benefit commences on day following member's termination from service but service purchase increasing the benefit may occur after that date
12	19-2-908(4)	Amend to include provision that GABA may not be paid retroactively with a retroactive retirement benefit	A member electing a retroactive retirement benefit is not eligible to receive GABA retroactively, consistent with those receiving a retroactive disability benefit.
13	19-3-108	Address treatment of "banked holiday time"	Banked holiday time is not considered compensation per definition when paid in a lump sum without termination of employment. Banked holiday time payout at termination should be spread forward like VLT, SLT and comp time.
14, 27, 38	19-3-319 19-3-2117 19-21-214	Rewrite to clarify current employer contribution rate	We have had several complaints from employers concerning the language identifying the amount of contributions due. Proposed changes mirror current language in 19-3-316, MCA.
15	19-3-401(5)	Include School for the Deaf and Blind as an employer whose employees receive membership service for summer months	Same work schedule as school districts, but not a school district. They receive membership service, but not service credit. Membership service impacts eligibility for retirement and eligibility 2% factor at 25 years, not the calculation of the retirement benefit.
16	19-3-403(1)	Clarify status of individuals in state institutions	Terminology within the corrections industry has evolved over the years. These changes ensure that inmates of institutions who perform services for those institutions, regardless their title or designation, are not eligible for PERS membership
17	19-3-412(2)	Change calculation of 90 days from the day of election to the day office is assumed.	As currently written, elected officials are not receiving an adequate retirement election window; 90 days should start once in office. Information and education does not start until then.

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17	19-3-412(8)(c) and (d)	Replace "break in service" with "termination of employment"	Break in service not defined; intent is same as definition of "termination of employment". The retirement system member has terminated employment but remains a member of the retirement system.
18	19-3-513(4)	Clarification	After a member reaches 25 years of actual membership service, purchases of "additional" or "one for five" service can be used to reduce the member's early retirement reduction factor. Actuarial valuations take these purchases into consideration. Previous statutory language was unclear and inconsistent.
19	19-3-901	Rewrite for clarification when member is hired after age 65	Current language addresses members still employed at age 65 but not members who are hired at or after age 65. Those individuals are also eligible for a retirement benefit regardless their years of membership service.
20	19-3-906	Require retired member to not return to covered employment until at least 90 days following termination of employment.	Ensures member actually separated from service prior to receiving a retirement benefit. More and more individuals are retiring and returning to work immediately.
21	19-3-1106(1) and (2)		(2) - retirees over the age of 70 ½ are not subject to working retiree limitations
21	19-3-1106(5)	Clarify that subsection applies to retired elected officials	19-3-412 addresses several types of optional members, not just retirees. 19-3-1106 applies to retirees who return to employment.
22 and 23	19-3-1201 and -1202	Clearly distinguish between inactive for less than 6 months and inactive for more than 6 months	Benefit differs between the two groups. Better to address all inactives in the same statute, regardless whether they have been inactive for more or less than 6 months.
24	19-3-1203	Change internal reference of 19-3-1201 to 19-3-1202	19-3-1202 provides for the amount of death payment to designated beneficiary; 19-3-1201 addresses eligibility for death payments
25, 28, 31 and 34	19-3-1501 PERS 19-5-701 JRS 19-7-1001 SRS 19-8-801 GWPPORS	Address effect of no beneficiary designation for Contingent Annuitant	Clarify payment rights under option 4 when member predeceases Contingent Annuitant, CA then dies and has not named a beneficiary to receive payment. Issue exists in PERS, Judges, Sheriffs and Game Wardens and Peace Officers retirement systems. Other systems do not have options.

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26	19-3-2114(2) and (3)*	Amend assumed rate of 8% interest to 7.75% when a member transfers to the DC from the DB	Based on Actuary's recommendation to change assumed rate; experience study indicates 7.75% to more accurately reflect earnings.
29 and 30	19-7-301 and 19-7-302	Include detention officers in list of Sheriffs' Retirement System members who may have rights under PERS	Inadvertently omitted when detention officers joined SRS.
33	19-8-601 19-8-604	Repeal 19-8-604 and include language in 19-8-601.	Benefit in 19-8-604 is a "reduced" benefit, not an "early retirement" benefit.
35	19-8-1003	Change "early retirement benefit" to "service retirement benefit"	There is no "early retirement benefit" in the Game Wardens' and Peace Officers' Retirement System
36	19-13-301(7)	Delete discussion of transfers between PERS and FURS	Covered in 19-13-210
36 and 37	19-13-301(8); New Section in Firefighters Unified Retirement System (FURS)	Move FURS working retiree information from the statute titled "Active Membership . . ." to its own section	Similar to placement of "working retiree" sections in other retirement system chapters; difficult to find in current location.
39	19-3-1606	Repeal	Intended to be one-time purchasing power adjustment. Adjustment has occurred for those eligible.